

Metropolitan Life Insurance Company
Oct 31, 2019

SERFF #s: META-132090832 & META-132090771

Filing Summary:

The Metropolitan Life Insurance Company requested a rate increase for the “LTC.04 Block” which contains the following two LTC forms: TCL-LTC.04 (PA) Ed. 4/00 and TCL-LTC.04 (PA-E) Ed. 4/00. Some forms were sold by Metropolitan Life and others were sold by TIAA-CREF Life. These forms were sold in PA from 2001 to 2004.

Note that MetLife in 2004 entered into both assumption and indemnity reinsurance agreements with TIAA-CREF Life Insurance Company to take over responsibility for these two blocks of LTC business.

The company was requesting 4.05% on 356 MetLife policies and 4.05% on 153 TIAA-CREF Life policies.

The Department approved the 4.05% increase.

Effective date of rate change: Renewals on and after 10/31/2019.

The current policies in place are not generating sufficient premium to pay future claims to policyholders. This is a common problem for a number of insurers nationwide because policyholders are keeping their policies longer than expected and are living longer than projected. As a result, policyholders are using more benefits on average than the company anticipated when the policies were originally sold. This means the company has to pay out more for benefits than it originally projected.

In making this decision, the Department considered the projected loss ratio for each block of policy forms, that is, the projected total amount of benefits paid out versus the total amount of premium collected, the reasonableness of the assumptions the company used in its projections, and the company’s financial situation. The Department also considered the financial impact this rate increase would pose to consumers, the past rate increases policyholders have faced, and the availability of options to limit the rate increase by reducing benefits.

The company is offering ways for policyholders to limit the rate increase by reducing benefits. The company will let you know your options when they contact you directly about this premium increase.

This Rate Filing Decision Summary is a tool to help explain the rate filing and does not describe all the factors considered as part of the Department’s rate review.